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GOVERNMENT OF INDIA

CENTRAL BOARD OF REVENUE.

NOTIFICATIONS

INCOME-TAX

New Delhi, the 6th August 1949

No. 73.—The following draft of a further amendment to the Indian Income-tax Rules, 1922, which the Central Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of Section 59 of the Indian Income-tax Act, 1922 (XI of 1922), is published as required by sub-section (4) of the said section, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 22nd August 1949. Any objection or suggestion which may be received from any person with respect to the said draft before the aforesaid date will be considered by the said Board.

DRAFT AMENDMENT

In Rule 8 of the said Rules—

for the entry in the column relating to the remarks against the sub head “(1) General rate” under the head “III Machinery and Plant” the following shall be substituted, namely—

“An extra allowance upto a maximum of 50 per cent. of the normal allowance will be allowed by the Income-tax Officer where a concern claims such allowance on account of double shift working and satisfies the Income-tax Officer that the concern has actually worked double shift. An extra allowance upto a maximum of 100 per cent. of the normal allowance instead of 50 per cent. will be allowed in the assessments for five years commencing with the assessment for the year 1949-50, where a concern proves that there has been triple shift working. The calculations of the extra allowances for double shift and for triple shift shall be made separately, proportionate to the number of days during which there was only double shift working and during which there was triple shift working. For the purpose of granting this extra allowance the normal number of working days throughout the year will be taken as 300 and if, for example, a concern has worked only double shift for 100 days and triple shift for another 100 days, the extra allowance for double shift will be $\frac{1}{3}$ of 50 per cent. of the normal allowance for the whole year and that for triple shift will be $\frac{1}{3}$ of 100 per cent. of the normal allowance for the whole year. This applies to all concerns whether the

general rate or any special rate applies to them, but does not apply to an item of machinery or plant specifically excepted by the letter "N.E.S.A." being shown against it.

Explanation.—For this purpose the normal allowance means the amount of depreciation allowance for the year calculated in accordance with Rule 8, but excluding the extra depreciation allowance for multiple shift working or for new plant and machinery."

No. 76. In exercise of the powers conferred by sub-section (1) of Section 59 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendments shall be made in the Indian Income-tax Rules, 1922, the same having been previously published as required by sub-section (4) of the said section, namely:—

In the "Form of return of total income and total world income for individuals, Hindu undivided families, companies, local authorities, firms and other associations of persons under sub-sections (1) or (2) of section 22 of the Indian Income-tax Act, 1922" set forth in sub-rule (1) of rule 19 of the said Rules—

(1) In the statement under Part I in item (c) of section R, after the words, letters and figures '31st March 1946' the words, letters and figures 'and before the 1st April 1948' shall be inserted.

(2) In the statement under Part II to item '7 Earned Income allowance' the brackets, words and figures '(See Note 1A)', shall be added; and after the said item, the following item shall be added, namely:—

'8. Donations to Charitable Institutions and Funds—(See Note 16A)'.

(3) In Part IV to entry (2) the following shall be added, namely:—

'In the case of assessee other than a company if the accounts are audited, a statement of audited accounts should accompany the return but if the accounts are not audited, a statement showing how profits have been computed from the books of account maintained for the business should accompany the return.'

(4) In Part VI—(a) in the top right hand corner the bracket, words and figure '[See Note 8]' shall be inserted.

(b) In item (ii) of the entries at the bottom, for the words and figures '31st March 1948' the words and figures '31st March 1950 which is exempt for a period of two years from the date of completion' shall be added.

(5) In the 'Notes for Guidance in filling up Return Form No. I.T. 11'—

(i) In Note '1' the second paragraph beginning with the words 'In the case of'—and ending with the words and figures 'prior to 1947-48' shall be omitted.

(ii) To Note 8, the following paragraph shall be added, namely.—

'Income from a building, the erection of which is begun and completed between the first day of April 1946 and 31st day of March 1950, both days inclusive, is exempt from income-tax for a period of two years from the date of completion of the building.'

(iii) In Note 12A, in paragraph 2, after the words 'A dividend paid' the words 'by an Indian company' shall be inserted.

(iv) In Note 14 after the words 'Sums entered' the words 'against the first six items' shall be inserted, and at the end of the said Note the words 'For item 7—Earned income allowance,—See Note 1A and for item 8—see Note 16A.' shall be added.

(v) After Note 16 the following Note shall be inserted, namely:—

‘16A. The tax is not payable by an assessee in respect of any sums paid by him after 1st April 1948 as donations to any institution or fund which is established in British India for charitable purpose and is approved by the Central Government provided—

- (1) the total amount of donation paid in any year is not less than Rs. 250;
- (2) aggregate of any sums exempted does not exceed 1/20th in the case of a company and 1/10th in the any other case of the total income as reduced by any portion thereof exempt from tax;
- (3) the amount of donation exempted does not in any case exceed Rs. 2½ lakhs.

This exemption will be admissible both in respect of income-tax and super-tax except in the case of a company which is not exempt from super tax on the amount of donations paid by it. The relief in tax on account of exemption of these donations shall not in any case exceed half the amount in respect of which exemption is allowed.

“Charitable purpose” as defined in the Act includes relief of the poor, education medical relief and advancement of any other object of general public utility. A list of the institutions and funds approved by the Central Government has been published in the *Gazette of India*.

(vi) In Note 17, in paragraph (c) for words, letters and figures ‘31st March 1948’ the words, letters and figures ‘31st March 1950’ shall be substituted.

(vii) In Note 17A:—

(a) after the words, letters and figures ‘31st day of March 1946’ the words, letters and figures ‘and before the 1st day of April 1948’ shall be inserted.

(b) in subparagraph (iv)—

(i) in item (b) after the words ‘assessee’ the following shall be inserted, namely:—

‘or of the previous owner where the cost of the capital asset to the previous owner is to be taken in accordance with section 12B(3)’.

and

(ii) after item (c) the following item shall be added, namely:—

‘(d) where any capital asset became the property of the assessee—

(i) before the 1st April 1947 under a deed of gift or on the partition of the Hindu undivided family, the actual cost to the assessee would be the fair market value of the asset on the date of gift or of partition, if such value is greater than the actual cost to the previous owner or fair market value thereof on 1st January 1939 as in (iv) (b) above;

(ii) on or after the 1st April 1947, on the partition of a Hindu Undivided Family, fair market value on the date of the partition would be the actual cost to the assessee.

S. P. LAHIRI, Under Secy.

